

A SOURCE PAPER ON AGRICULTURAL COOPERATIVES-
COLLECTIVES IN COMMUNIST CHINA

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Foreword

The Chinese Communist regime maintains that the development of China into an industrialized state can best be achieved through implementation of its agrarian program. This, it claims, can only be done if agriculture prospers because the raw materials on which industry depends must be furnished by the peasants.

The regime promised the peasants that they would be landowners in their own name, and that the products sold on the markets would benefit them by raising their standard of living. It also claimed that wages paid to workers would enable them to live comfortably, and that industrial goods produced would be within the reach of all. China thus would be self-sufficient and ultimately produce all commodities necessary for the well being and comfort of its citizens.

The attached documentation shows, however, that forced collectivization of the agrarian population of Red China has not produced the utopia promised to the nation. The agrarian program has resulted in discontent and growing restlessness on the part of the population. The regime has blatantly disregarded its promises to the people whose needs it has proven unable to anticipate.

Farmers are not interested in cultivating their crops for a regime which is bleeding them white. Available evidence indicates that they are malingering in their tasks, deserting their harvests and view the future without hope. Prices are rising, food is becoming scarce, industrialization is hampered and unemployment is wide-spread. Crime is increasing, desertions from the agricultural producers' cooperatives (APC's) are numerous and armed revolts are prevalent. Consequently this program, unworkable in a country predominantly agrarian, cannot serve as a model for other nations anxious to increase their agricultural potential.

Chairman MAO Tse-tung, in side-stepping the Red hierarchy by forcing acceleration of collectivization, may have made a monumental mistake which might trigger a movement that could ultimately sweep him from control and possibly restore China to the Free World. The agrarian situation in China, as revealed in the attached documentation, bears careful scrutiny during the coming months.

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I. Agrarian Program

Totalitarian countries have long recognized the necessity of rigid control over their peasants, especially when they constitute the majority of the nation. Communist China is no exception.

The Central Committee of the Chinese Communist Party issued on 15 December 1951, the first draft decision on mutual-aid and cooperation in agricultural production. This measure was designed not only to control peasants politically but also to enforce government regulations concerning the collection of taxes, the percentage of farm products to be sold by the government at stipulated rates, the share to be retained by the peasant, the kinds and quantities of crops to be grown, and the sum to be paid for labor performed.

When this draft decision was issued, there were already approximately 300 agricultural producers' cooperatives (APC's) in Communist China. On 16 December 1953, when the number of APC's had grown to 14,000, the Party Central Committee issued its decision regulations which stated that, between the winter of 1953 and the autumn of 1954, the cooperatives should be increased to 35,800. Statistically, the number reached 100,000.

The Central Committee, at its October 1954 meeting, decided to increase the cooperatives to 600,000. Of the 670,000 actually formed, 20,000 were eliminated in June 1955 because they were not functioning properly. These cooperatives, mainly in the northern provinces, were composed of 16,900,000 households.

In the spring of 1955 the Central Committee urged the formation of one million cooperatives. However, MAO Tse-tung, in a speech on 31 July 1955, not only complained about the slow formation of these cooperatives, but ordered that they should be speeded up rapidly, with a 1960 deadline for the collectivization of all peasants, and a 1962 deadline for transforming all agricultural enterprises into state-operated farms.

Consequently, by December 1955 the membership in the APC's reached 1,900,000. In January 1956, this time-table was changed in a draft program of agricultural development submitted by the Politburo of the Central Committee for 1956-1957, ordering the completion of socialization of Chinese farming by the end of 1958. The regime claimed in December 1956 that 96 per cent of all farm households had been enrolled in cooperatives, and that fully four-fifths of the cooperative farmers were in the collectives.

Six stages were announced by the government in the regimentation of the rural population. Five stages have more or less been completed while the sixth stage is to be developed slowly, because it depends on mechanization.

The first stage was the confiscation of the land of large land-owners and wealthy farmers and its distribution to land-poor peasants.

The second stage was the formation of mutual-aid teams. In this stage, neighboring families pooled their labor, animals and implements for particular tasks during certain seasons, but the peasant remained an individual agent.

The third stage was the formation of an APC. Land and farm property were pooled and the individual peasant was paid a share of the produce based on labor performed and the value of the capital contribution invested.

In the fourth stage, also an APC formation, the land and property were collectively owned and each member was paid wages exclusively in accordance with the amount of work performed.

The fifth stage is collectivization, or the combination of a number of APC's. Land and equipment are owned entirely by the state and the members are paid wages according to the amount of labor expended.

In the sixth stage, which necessarily will be delayed for a number of years, the government is to undertake certain technical reforms in the collectives.

II. Problems Resulting from the Agrarian Program

A. Failure of Government to Carry Out Promises and Regulations

The Chinese Communist Government, in the development of its agrarian program, assured the farmer that he is free to join or reject the state-sponsored organizations. If he joins voluntarily, his right of private ownership of land and equipment will not be abrogated. These principles are clearly stated in the following promises, decisions and regulations made by the leaders of Red China.

1. MAO Promises Private Ownership

MAO Tse-tung, in his work On Cooperatives published in 1943, said:

With a transformation of the individual form of production to a collective form of production, it would still be impossible to increase labor productivity. Thus it is imperative that we develop cooperative labor organizations on the basis of private economy, that is, the private ownership of property by individual producers will not be destroyed. Only by so doing we greatly increase labor productivity in agriculture.... This kind of transformation ... is a revolution in method of production.

2. Vice Chairman LIU's Views

Addressing the First National Conference of Representatives of Cooperative Workers, Vice-Chairman LIU Shao-ch'i said:

It would be a leftist deviation if we operate the cooperatives like state-owned stores. On the other hand, it would be a rightist deviation if we manage cooperatives like private stores. We should deviate neither to the left nor to the right; we should operate the cooperatives in the strictly correct way. This is a basic principle governing the operation of all cooperatives. We must not deviate from this principle. If we do, our cooperatives would not look like real cooperatives.

3. Organizational Regulations Stress Voluntary Principle

The People's Practical Economic Dictionary: Cooperatives in China (published in Shanghai, 1953), defines the principles governing the organization of cooperatives as follows:

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The class line must be followed in the admission of new members into cooperatives. Only working people (i.e., workers, peasants, and individual producers) should be admitted into cooperatives....

The voluntary principle should be followed in the organization of cooperatives.... Compulsory membership and commandism are strongly rejected in the organization of any cooperative.

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The mass line must be followed. A cooperative must be organized according to democratic procedures....

The policy that cooperatives should serve the interests of their members must be followed faithfully at all times. The profit-seeking motive of the capitalists must be rejected by all cooperative members. Those who try to make profits in the name of the cooperative must be expelled.

Agricultural producers' cooperatives are an advanced phase of collective production. They can be organized only when there is machinery. When small peasant holdings still prevail in the countryside, it is really impossible to urge farmers to organize into agricultural producers' cooperatives. In the first place, the peasant masses would not respond to such a call. In the second place, state industry is still not in a position to provide the peasants with sufficient modern agricultural implements. Without large-scale investment by the state, agricultural producers' cooperatives cannot be organized, and will not operate successfully even if they are organized. Thus at the present time, China's agricultural production problem is not how to organize agricultural producers' cooperatives, but how to use the supply and marketing cooperatives as a means to stimulating production. Mutual aid-teams also operate with the help of supply and marketing cooperatives.... No compulsion should be used to promoting such mutual-aid teams; farmers must be allowed to participate in such teams voluntarily.

These promises, however, were quickly forgotten and completely abandoned in the head-long rush of forcing the farmer into the collectives and stripping from him not only the ownership of his farm, but also of his implements, his livestock, grain, seeds and fruit trees.

B. Coercion Used to Implement Agrarian Program

The following documentation indicts the Red leaders for deliberately violating their promises and forcing collectivization on the peasants.

1. Foreign Observers Report Force Used

Five independent accounts from different sources charge the People's Republic of China with using force to compel its farmers to join the APC's.

a. Chaudhry Rahmatullah, a prominent Pakistani labor leader who headed a Pakistani Trade Union Delegation to Communist China, wrote in The Comment (Karachi, 21 July 1956):

Throughout my trip, I did not see any concrete examples of development, progress or advancement to benefit the peasants who make up 85 percent of China's 500,000,000 population.... During my long journeys in China I did not witness any proof of modernization nor did I see the tractors, tubewells and other modern agricultural implements. The situation in villages is much less pleasant than in the cities. There is no doubt that some land reform of a drastic nature has taken place; the Communists have uprooted all the landlords, who, according to them, were strangling the poor peasants. However, the size of holdings in the villages is so small that it is very difficult for a family to make ends meet. Besides they have to pay the taxes and their quotas to the Government and thus the Communist Government has replaced the exacting landlord. Peasant discontent in different parts of China is increasing.... The peasants who once were promised land with all sorts of rights and who were the backbone of the revolution on the basis of these promises are now being deprived of these lands which are distributed to them. The Communist Party workers are ordered to lead the peasants towards collectivization. The slogan of "land to tillers" has vanished and is never mentioned, and according to the orders of the Central Committee of the Communist Party, the land has come back to the State again. While industry flourishes in the great developmental schemes, the farmer is left to feed the hungry nation with little help from his Government, with no effects at modernization and the constant yellings of the Communist Party bureaucrats in his ear.

b. The Hindustan Times (4 January 1957) commented on a report submitted to the Indian Co-operative Union as follows:

On China, the report states that on "official Communist evidence" only "pro forma results" have been obtained. Peasants have been and are being made to join co-operatives through force, the threat of force or irresistible administrative pressure exercised through discriminatory taxes and other measures.

CPYRGHT The Asian Analyst (February 1957) cites the following:

It is now fairly clear that in spite of the official call for "voluntary" formation of agricultural producers' cooperatives and collectives, direct and indirect coercion has usually played a major part in the movement and provoked fierce and prolonged popular resistance. Thus a Party Congress report about Changchih special district in Shansi province--one of the "early-liberated" areas where "land reform" was complete by 1947--reveals that for two years afterwards a bitter internal struggle raged, reviving again during the Korean war: Taoist secret organizations were feverishly active. In 1953 "some excesses" of the Party in organizing "mutual aid teams" aroused the peasants and "one county almost erupted in revolution." In the spring of 1955 "counter-revolutionaries" again stirred up resistance to the monopolized purchase of foodstuffs by the State and to collectivization (Peoples Daily, 26 September). Out of 640,000 households in the district, 2,759 "elements" have been "handed over to the collectives for labor under surveillance," and 2,387 are "either serving prison sentences or laboring outside" the district (probably in "reform through labor camps"). And this took place in one of the most "reliable" old Communist areas in the country.

d. Robert Guillain, who was in Shanghai six months before and after the Communist take-over of the mainland and who revisited the new regime in 1955, made the following accusation against the Chinese Communist government in The New Republic (13 May 1957):

The Communist regime is busily engaged in taking away from the Chinese peasant the "Good Earth" which it had given to him. The change is now virtually accomplished, and the collective system has already almost replaced the private ownership concept which was an article of faith in early revolutionary planning.... I was in Peking in October 1955, when President MAO announced his collectivization plan in a report to the party, intimating that the first stage of land socialization was to be completed within six months, and attacking with an unaccustomed violence those who might be inclined to resist or slow down his design.... Voluntary adherence by the peasants to the agricultural production cooperatives which preceded collectivization... existed more in fancy than in fact. No sooner had MAO made his declaration, however, than the regime unleashed a violent campaign of propaganda and persuasion (a word which seems to have a special meaning in China). Collective pressure on individuals was intensified, and within eight days ... even millions of peasants, had "spontaneously" given their support to the cooperatives.... I have visited several agricultural cooperatives, mainly in Hopei, an established agricultural region, Manchuria, the pilot province and Kansu, the Far West of the New China... it was clear from visits to the villages that a virtually irresistible pressure was necessarily being exerted on nonconformists....

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The state determines what each farmer shall plant, fixes land taxes in advance, and decides, often in a quite arbitrary manner, what purchases to make in each village after the harvest. Sooner or later the individualist peasant, having lost all liberty, will have no alternative but to take the "road to socialism"...

e. C. M. Chang in his article, "Communist China, Fact and Myth," published in The New Leader (24 September 1956) had this to say concerning the collectives:

The collectivization drive has been both expensive and bloody. But no obstacle, however formidable, can stop the Communist planners. Indeed, the very magnitude of the obstacles means that the pace must be accelerated, and harsher and still harsher methods will be employed. The Soviet experience is considered relevant to the Chinese situation. Collectivization is, in Communist thinking, the prerequisite for socialist transformation. And, in the present world situation, China must complete the process of socialist transformation in a hurry.

2. Chinese Communist Officials Admit Use of Force

The Minister of Agriculture, LIAO Lu-yen, in an address on 25 July 1955 to the National Congress on agricultural policies, disclosed the following:

Of course, in the victorious advance of the cooperative farming campaign, shortcomings still exist. In some localities, mistakes of compulsion and violation of the policy of voluntariness and mutual benefit have occurred. Such shortcomings as poor operation and administration and poor production organization also still prevail.... Some people have been heard to say that the peasants' enthusiasm in production is jeopardized because of poor results in the cooperativization of agriculture and poor food work....

The following year, he admitted in a report to the Third Session of the First People's Congress held in Peking on 15 June 1956 that:

... there are still many shortcomings and faults in agricultural cooperation and agricultural production. In the work of cooperation, there have been rather serious extravagance and waste and abuse of manpower and material resources in a number of agricultural producers' cooperatives. Prices fixed for draft animals taken into the cooperatives have not been fair enough and the work of tending and managing public livestock has been poor, leading to the weakening and death of draft animals.... In the work of agriculture, a number of cooperatives in some places have set their targets for increased production higher than the technical abilities could encompass....

The Chairman of the State Planning Commission, LI Fu-ch'un, in presenting the Five Year Plan to the First National People's Congress in July 1955, acknowledged that there were instances of unduly hasty and coercive practices and warned that:

If these mistakes are not corrected production not only will not increase but may even decline.

3. Chinese Communist Newspapers and Radio Admit Coercion

In late 1956 a copy of the Shensi Daily News which reached Hong Kong reported the arrest of 100 "counter-revolutionists" after they had sacked a People's Council building, burned the records and killed the secretary in June. The People's Daily (Peking), commenting on the event on 23 August 1956, stated that:

The Provincial Party Committee held between August 8 and 16 criticised itself in familiar terms for "commandism" which had "aroused dissatisfaction among the masses and suppressed the enthusiasm of the peasants."

An excerpt from the People's Daily (27 June 1956) disclosed the following:

Now that the great majority of the peasants have joined cooperatives, local party organizers can terrorize them through both political and economic means. They say: "Now that the cooperatives own the land, we have the peasants' throat and they dance to our tune."

The Kwangming Daily (Peking, 8 July 1956) admitted that:

Many local organizers are acting illegally, they are searching houses, arresting and torturing people, forcing couples into marriage and stealing collective property.

The Kwangtung Provincial Committee of the Communist Party reported on 8 May 1957 that:

Since last winter 117,916 households have withdrawn their membership in agricultural cooperatives; of these, however, 10,214 have rejoined. In the course of consolidating the agricultural cooperatives, harsh measures to restrict the withdrawing members were used in some localities, thereby resulting in a certain degree of tension which should not have arisen.... In areas where there have been great economic changes and in the calamity-stricken areas, little has been done to improve the livelihood of the people.

By the admission of the Chinese Communist leaders themselves, by their press and radio broadcasts, and by the testimony of foreign travelers who have visited Red China, the government has been guilty of brazenly disregarding its promises to the peasants. It has eliminated private ownership of farm lands and stock, established unequal wage standards, arbitrarily distributed food, and failed to provide equipment. It also has used administrative pressure, coercion and commandism to herd 96 per cent of the Chinese farmers into state-controlled cooperatives-collectives.

C. Effects of Forced Collectivization on Peasants

The regime has repeatedly proclaimed that its agricultural program will benefit the population by raising the standard of living. Peasants have been promised that the income of APC members will be increased, food will become plentiful, children of peasants will receive a good education and that farmers will be provided with machinery to lessen their drudgery.

The following documentation indicates, however, that all these promises have been broken by the regime. Peasant morale is low and discontent widespread among the population, undermining the sociological structure and threatening the economic stability of the country. The failure of forced collectivization to raise the standard of living has resulted in large scale desertions from the APC's and migration to the cities.

1. Peasant Morale Low and Discontent Widespread

The morale of the peasants is extremely low as a result of the forced herding of farmers into the state-controlled agrarian organizations.

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Guilliam says in his article that:

The peasant state of mind in the early winter of 1956 was conclusively revealed in the sabotage of the preparations for the spring crops of 1957. The People's Daily complained that the cooperatives were not carrying out their winter tasks; winter sowing was being held up and maintenance work was being neglected. This was claimed to be the case in Shantung, where the peasants were discouraged; the accountants had not been compiled and the workers still did not know how much they were to be paid for their work during the past year. The organizers did not dare to push the peasants, and both workers and their superiors, said the Daily, made no pretense at the enthusiasm which was shown when recruitment was initiated the previous winter.

The People's Daily stated in November 1956 that there was a wider use of coercion by the authorities often "directly stimulated by the plans and arbitrary decisions made by the higher authorities." To control discontent, local organizers called "accusation meetings" which gave the peasants an opportunity to voice their grievances and the cadres a chance to impose additional controls.

The new rural bureaucracy also was rapidly gaining in number. In one cooperative in Shansi there were a total of 300 officials for 400 homes while in another cooperative in the same area 100 officials were being used to control 200 families. The peasants were required to attend meetings lasting far into the night, then rise the following morning at five for work, still tired and distressed.

Local leaders often furnished false reports to their superiors. The cooperative accounts were badly kept because the accounting system was too intricate for the semi-literate peasants to comprehend. The most serious complaint by the peasants was that there were numerous injustices and errors in calculating their wages for work done.

2. Living Standards Low

For the last two years, the farmers' income has decreased, as indicated in the following items:

a. The text of the Grain Distribution Directive, released by Peking on 25 November 1956, states that 10 percent of the members of agricultural cooperatives suffered "income decreases," due either to natural calamities or to improper management, of such severity as to cripple them from operating unless assisted by the regime.

b. The Christian Science Monitor (3 July 1957) credited Frank Robertson, Special Correspondent, Hong Kong, with the following statement:

In spite of claims that agricultural production for 1957 will reach a record of 191,000,000 tons, it is admitted that the revenue from collectives and the few private peasants left has fallen off considerably....

A study of the Chienchin APC in Yungping County, Yunnan, showed that while 70.6 per cent of its total income was distributed to the peasants, they were only paid 0.46 yuan for each working day which averaged 3.4 yuan per month, proving that the peasants' living standards are still very low. In this cooperative, a number of peasants kept no hogs and not even the chicken most of them had before collectivization.

The New China News Agency stated on 18 August 1956 that in a certain district in Kwangtung Province 21 out of 87 ACP's had been dissolved due to living standards having been reduced. On 20 November Peking Radio informed its listeners that in the Chunli cooperative in Hupeh seven out of eight production team leaders were encouraging 100 members to neglect their agricultural production in favor of trade.

CP PEOPLE's Daily (24 August 1956), in an article on the cooperatives in Changsha Hsien, Hunan, said that:

... There are altogether 163 such co-operatives, which constituted 13 percent of the total number of cooperatives of the hsien. Of these 163 cooperatives, 71 will suffer a decrease in production ranging from 10 percent to 40 percent in comparison with last year. None of the remaining 92 cooperatives can fulfill this year's plan for increased production.... Over 7,000 households which are members of these cooperatives will, without exception, receive less income this year than last year. Under such circumstances, many cooperatives have lost confidence and members have become restless; 4 percent of the members have withdrawn from the cooperatives; 7 percent of the members are asking to withdraw and 19 percent of the members have grown pessimistic and disappointed and have given up production work....

On 24 October 1956, Peking radio, through the Chinese Home Service, broadcast the following:

This year, increased agricultural production assignments of a number of agricultural cooperatives in the Mienyang Special District, Szechuan Province, were not fulfilled satisfactorily as a result of improper business management.

The World Today (Hong Kong, 1 May 1957) quoted a woman who recently fled from Red China concerning conditions in the farming districts of Kwangtung Province:

We were working in rural districts mostly. Farmers there were living a life even poorer than beggars. They were wearing patched clothes, and didn't have enough food to eat. As far as we know, each of them was given four ounces of rice a day, and had to buy potatoes to make up the shortage. Even so, each of them was allowed to buy only one catty of potatoes each day. Each got only four ounces of oil and the same amount of sugar a month. No pork was on sale. You can imagine how scanty their life was.

John Roderick, in his dispatch from Hong Kong to the Washington Post (14 July 1957), indicates the reasons for the low standards of living on mainland China:

For this was a nation beset with economic troubles, dissatisfied with the bureaucracy of government, still aching from the effort to convert itself from near-feudalism to socialism. Floods, drought and a disastrous 1956 typhoon had laid waste to millions of acres of land and brought suffering to 70 million people. The country had gone into debt partly because of the heavy expense of bringing relief to ravaged areas. There were still food shortages. Officials admitted graft and corruption in newly-created agricultural producer cooperatives. Party members were increasingly arrogant and more and more concerned with their own comforts. Party cadres among the unions were inept....

The impoverishment of the rural population resulting from forced collectivization is described by F. K. WU in his article "Red China's Rectification Drive," published in the New Leader (17 June 1957):

... Moreover, the rural population--80 per cent of China's people--has been impoverished by the agrarian "reform" and collectivization--a virtual confiscation of rural lands which requires the peasants to work longer hours "for the good of the country" without any increase in revenue. Losing all incentive, they are producing less....

... In any event, the people eat only coarse rice and use vegetable oil for cooking. With farm production decreasing, rice rations in South China have been cut from 32 to 27 pounds a month per person, which is not enough for an able-bodied man. The staple meat of the Chinese is pork. Each person is entitled to three ounces a week, provided he waits in line three hours or more for each allotment.

In addition, commodity prices have gone up 10 to 20 per cent in the past eight months. While all commodities are strictly controlled and in most cases are sold only by Government agencies, inflation has forced the price increases. This has been a severe blow to farmers, workers and all wage owners, whose recent pay increases have thus been neutralized....

The regime admitted its failure to raise the standard of living in a speech by PO I-po, Chairman of the State Economic Commission, at the fourth session of the first National People's Congress on 1 July 1957. The New China News Agency credits him with the following statements:

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At present, the development of agriculture in our country is falling considerably behind the needs of the people's livelihood and the requirements for the development of light industry. It is therefore necessary to continue implementation of the draft national agricultural development plan ... gradually resolve contradictions between the state and cooperatives, among the cooperatives, and within the cooperatives; and to take all possible measures to increase the output of grain and other farm products.... The increase in food has not been able to keep up with the increasing consumption demands of the people. It is therefore impossible to increase the acreage under cultivation for industrial crops on the currently available arable land. Although acreage under cultivation for industrial and food crops was increased each year, the proportion between the two in relation to other crops showed a decline each year.... In acreage under cultivation for the various crops, food crops accounted for 79.3 per cent in 1953; in 1957, this figure has been reduced to 77.1 per cent....

3. Elimination of Work Incentive

By forcing collectivization on the peasants, the Chinese Communists have not only deliberately ignored one of the primary drives of mankind--the incentive of ownership--but have set about to change human nature by telling the peasants that the urge to possess is no longer permitted. They must now place blind reliance upon the state for all necessary materials. In exchange, they are required to completely submerge their individuality and freedom to the dictates and directions of the state.

How has this affected the Chinese farmers? With the elimination of the incentive of personal ownership, the peasants are dissatisfied and have lost confidence in the government. They have become careless in their work habits, are neglecting their fields unless directly under the lash and control of an aggressive cadre, and are losing valuable work animals by neglect. In some areas the farmers are in open revolt. The will to work, unless driven by threat of drastic penalties, is no longer present. By eliminating the work incentive, the regime has failed to raise economic productivity which it considers so essential to the success of its agrarian program.

4. Education Denied to Children of Peasants

The Communist government has repeatedly emphasized the drive against illiteracy and has pointed with pride to the increasing number of students enrolled in the school system. The regime maintains that one of its objectives is to give the rural children an opportunity for an education, so that many may return as scientific farmers and help increase the total yield in foodstuffs while others may become technicians in industry.

What has forced collectivization done to this program? In 1955 it was estimated that 3.9 per cent of middle pupils and 8.9 per cent of primary pupils had to withdraw from schools throughout China. In seven different provinces the withdrawal from the middle schools amounted to an average of 10 per cent, with some schools losing as many as half of the student body. Many of these students are being called back to the farms by their parents to help with collective farming demands imposed by the government.

The following year, this story was repeated. In 1956 it is estimated that 2,900,000 primary school pupils and 144,000 middle school students were forced to leave school before completion of their courses of study. Studies of the background of these students show that most of them came from the rural areas, that their parents were in economic difficulties, and because the government had forced their peasant parents into collectives, children had to be withdrawn from schools to meet the food production quotas.

5. Peasant Grievances Against Cooperatives

The peasants strongly condemned the "three-fixed system" (fixed production for each cooperative as dictated by the state, fixed amount of the fixed production which must be sold to the state, and fixed marketing or the amount the peasant may sell on his own volition), saying that it was unfair and prevented them from making an adequate living.

They also criticized the "three-fixed" levels of consumption, in which the government dictated how much a heavy worker should eat, how much for a light worker and finally the minimum amount of food that should be allotted to an unproductive individual. In many areas where grain was scarce, the local cadres had authority to lower these levels at will. For instance, in Honan the allotment for able-bodied men has been raised while that for children has been lowered, but the state's share has not been changed.

In addition, the peasants protested government reduction of rationed food and unequal food distribution throughout the country, whereby the rural population received approximately half the amount allotted to the urban inhabitant. These complaints were so insistent that on several occasions Vice Premier PO I-po, while admitting the criticisms, has admonished the peasants to stop complaining since they were now better off than ever before! This declaration was ridiculed by the farmers who knew that many of those who had joined the cooperatives had failed to increase their income in 1956. Just how serious the actual drop in income was, is reflected in the speech of Premier CHOU En-lai at the Fourth Session of the National People's Congress delivered on 26 June 1957, in which he admitted to the Red hierarchy that one-fourth of the peasants in 1956 had sustained a loss in their income.

Many cooperatives were accused of bad accounting features, poor organization, unrealistic production norms, and mismanagement of animals. The much publicized two-bladed two-wheel plow, which the cadres forced the peasants to purchase, was criticized as too unwieldy and heavy to use. It was also claimed in many cooperatives that the mobilization of the peasants for "capital projects" had taken the farmer away from his side-line projects and thus deprived him of a chance to earn funds to tide him over until the next harvest. The investment of cooperative funds in capital projects had so depleted the treasury that this resulted not only in an inability to pay interest on loans but also in many cases meant that there was a decline in the individual income.

The peasants charged that many cadres oppressed the cooperative membership, that collectivization was making the farmers apathetic, and that those who resisted the program were branded as "counter-revolutionists." Mounting dissatisfaction has resulted in an increase in court litigation.

Judge TUNG Pi-wu, President of Communist China's Supreme Court, told the National People's Congress on 2 July 1957 that:

The agriculture cooperatives had led to an increase in land litigation and some cases of corruption and assault. The courts, in some instances, had not acted rightly.... Corruption, theft, assault, creating public disturbances, and encroaching on personal rights are comparatively common in rural areas at present.... Family disputes in the countryside arising from members of the younger generation neglecting their duty to look after the aged have become more frequent now than in the past... (New York Times, 3 July 1957)

A New China News Agency broadcast from Peking (2 July 1957) quoted the following from Chief Justice TUNG's speech to the National People's Congress:

CPYRGHT. ... There are still many contradictions within agricultural producer cooperatives, in particular, because of the immaturity of these cooperatives, the lack of further consolidation, short comings in their financial and management systems, and the generally backward and selfish tendencies among the peasants.... During a short period last spring a number of people's courts erroneously treated some of the people's internal problems as problems of a hostile nature and adopted punitive measures against some of these problems which did not constitute crime. In some instances, cooperative members who aroused mass excitement in demanding a check of the accounts were punished for "creating a mass disturbance to undermine the agricultural producer cooperative"; in other instances, acts of complaining or demanding withdrawal of cooperative membership were identified as subversive activities; and in still other instances, over-simplified punitive measures were taken as a substitute for the work of painstaking persuasion and education in treating cases concerning minor assault and mass superstition. These measures often result in alienation of the courts from the people and intensification of the people's internal contradictions....

The Christian Science Monitor (3 July 1957) published the following details from the quoted speech of Chief Justice TUNG:

Announcing the startling statistic that the people's courts have handled more than a million cases during the past year, Mr. TUNG stated that most of these had been heard in rural areas. It is clear that many were the direct result of pellmell collectivization ordered by Chairman MAO in mid-1955.

6. Large Scale Desertions from Cooperatives and Migration to Cities

The failure of forced collectivization, as revealed in low peasant morale, widespread discontent, depressed living standards, elimination of work incentive, and grievances against the agricultural program, has resulted in large scale desertions from cooperatives and migration to cities.

~~TOP SECRET~~ The New York Times (16 June 1957) observed that:

In roughly one year, July 1955 to June 1956, the overwhelming majority of China's more than one hundred million peasant families were collectivized. Now there is evidence that collectivization has back-fired as gradiose promises made to secure rapid collectivization have proved impossible of fulfillment while increased government exactions on the peasantry have stirred increased resentment. One indication of rural unrest has been the reports of large numbers of peasants leaving the collective farms, and of the inability of the Chinese Communist personnel to persuade all the defectors to return.... Talk about rapid industrialization and job opportunities in the cities has drawn large numbers of poverty-stricken farmers from their tiny plots in the country to the great cities. This has created a great problem of urban unemployment which the regime has been struggling to meet.

The Kung Sheung Daily News (Hong Kong, 22 May 1957) editorialized:

The people on the mainland can no longer tolerate the Communist regime with its joint operation and agricultural collectivization and the Communists are at their wits end.... The large cities are overpopulated due to the influx of farmers looking for jobs.... As a result of the bankruptcy of rural districts, exports have been decreasing to such an extent that some foreign ships have had to leave Tientsin without cargo....

With the permission of the government to allow the reorganization of "free markets" for agricultural food products, the peasants reacted in a spectacular manner. Many deserted the cooperatives and rushed into operations to make small profits as in the days of capitalism. Many left the harvests in the field and became wandering peddlers or small merchants or went to the cities to find work. They came to the decision that anything was better than remaining in the rural communities. This caused a rise in the prices of the free markets with the imposition of new burdens by the government.

The London Times (24 March 1957) stated that one of the unannounced decisions of the People's Political Consultative Conference which had just ended was "that the spring sowing must be expanded vigorously with intensive State aid in South China, where there has been a heavy influx of peasants into the cities."

As a result of the inability to make a living on the farms, with peasant yearly incomes averaging 60 yuan in contrast to a city worker averaging 60 yuan per month, thousands of peasants have swarmed to the cities in search of jobs, according to the St. Louis Post-Dispatch (12 May 1957) from its correspondent in Hong Kong, John Roderick:

The article goes on also to state that Communist China is a nation beset by unemployment, food shortages, conflicts among the masses, and paralyzing bureaucracy.... Over the radio in recent days, the Peiping regime has admitted that the threat of famine hangs over much of the country.... Foodstuffs are short.... Bad personnel planning for industry has contributed to the growing ranks of the jobless.... The Communist leadership is grappling with two problems vital to its control of the country. The first is widespread unwillingness of former capitalists and intellectuals to accept socialism as a doctrine. The other is the friction between the bureaucratic-minded Communists.... MAO has called on peasants in the ravaged areas to tighten their belts, trust in Communism and work hard to produce a bumper crop this year....

On 16 May 1957 the Christian Science Monitor reported that:

Large numbers of peasants in Communist China have withdrawn from collective farms and strikes have taken place in state-run factories, a Communist report of 15 May said. The report was made by the Communist Party Committee for Kwangtung.... The report said that since last winter 117,916 peasant households have walked out of state-run collective farms in the province.... The report added that 180,000 healthy adult workers in the province could not find jobs. Suitable employment could not always be found for demobilized soldiers and they were liable to create trouble.

The New York Herald Tribune (5 June 1957), quoting from Communist newspapers read by Associated Press correspondents in Hong Kong, asserted that:

Communist China's major cities, already suffering from unemployment, are becoming clogged with farm laborers seeking jobs.... Peasants poured into the cities in wholesale lots from outlying areas following last year's drought, floods and typhoons. In Shanghai, Canton and Tsingtao, city councils have issued orders to send the farmers home before farm production suffers....

The Washington Post (18 March 1957) quoted a United Nations report dated 17 March to the effect that "Communist China faced a 'pressing problem of unemployment' that threatened to produce 17 million additional jobless by 1962."

D. Economic Progress Threatened

The economic progress of Communist China is threatened as a result of forced collectivization. Inept planning and mismanagement by those in charge of agricultural policies are producing economic chaos in the form of a dislocated agricultural program, unrealistic production norms, unavailability of promised farm machinery and fertilizers, and abuses in cooperatives. In addition, the threat of inflation, unless checked, could lead to national disaster. The following are reports and mainland China broadcasts concerning these current economic conditions.

1. Inept Planning and Mismanagement Producing Economic Chaos

a. Dislocated Agricultural Program

The London Times (10 February 1957) in a report from its special representative in Hong Kong, Richard Hughes, observed that:

The agricultural program was dislocated and thrown off balance by excessive concentration on grain and cotton to the neglect of subsidiary farming sidelines (pigs, poultry, handicrafts).... Livestock production targets for 1956 were all unfulfilled.

A symposium, held by engineers and specialists of various departments of the Ministry of Agriculture, made the following admissions, according to an 18 May 1957 Peking broadcast:

... In 1953, the Ministry decided to reduce the sowing acreage for cotton when it found that grain output had dropped. The reason for such changes was because the Ministry had failed to acquire adequate estimate of the actual needs of the people and to adopt the proposals of the specialists. Up to now (which is four years later) the question of proper proportions for sowing acreage of various crops has not been completely solved, and there is no substantial indication of giving priority to the promotion of grain output.... There is a decrease in the sowing acreage of water paddy (rice) in Kwangtung, Kwangsi, Chekiang and Hunan provinces (the granary of China) for 1957. This was because the agricultural cooperatives in these provinces urged their members to grow more economic crops which bring greater profits after producing sufficient grain crops for their own needs....

b. Unrealistic Production Norms

A memorandum, prepared on 29 June 1956 by the Singapore representative of the Refugee Relief Program from a conversation with an April escapee from Red China, revealed the arbitrary method used to set production quotas:

Land reform resulted in the death by execution and suicide of many landlords and land holders in Kwangtung. The present system is to collectivize the land and to switch managers and workers as the manner used in the city business cooperatives. This system of land reform has taken the land from the

landlords, given it to the people, then taken it from the people and given it to the State. Operation of production quotas at this point is ruinous to the peasants. Grain quotas are set arbitrarily at double present production. Surpluses available to the farmer to sell to the State at State prices are calculated on the quotas established. Therefore, peasants must sell as surplus much of the grain that is allowed them as their own food in order to make up the calculated surplus. In the villages many older members of families are committing suicide as their lot becomes worse and worse. Among those who hate the Communists the peasants and villagers feel the bitterest hate and resentment. They have lost their land, they are forced into cooperatives, and they are faring even worse, foodwise, than the city dwellers.... On the collective farms the peasants still feel they have some investment in the pooling of livestock, tools, etc. The addition of city people assigned by government order to their villages, who are expected to share in the produce of the collective system without contributing anything does not add to their sense of justice in the government....

c. Promised Farm Machinery and Fertilizers Unavailable

Peasants remaining on the farms are finding it more difficult than ever to produce. The farmer, in turning his oxen over to the collectives, is deprived of his means of plowing. Tractors, glibly promised by the authorities, are not available and will not be for a long time to come.

The regime has proclaimed repeatedly that the APC's will be furnished with sufficient tractors, fertilizers and insecticides to increase production. The Industrial and Materials Committee of the United Nations has estimated that China would have to import 125,000 machines to conform to the Soviet pattern of agricultural mechanization. With China at the end of 1955 possessing 3,000 machines on State farms and 1,900 on collective farms, the importation of more than 120,000 tractors to mechanize the APC's already organized cannot be realized in the immediate future.

Agriculture Minister LIAO has advocated the importation of 20 million tons of fertilizer annually, but he well knew and admitted that while that amount is the minimum for caring for the number of cooperatives already organized, it is an impossible figure for the government's agrarian program.

A qualified economist has estimated that to import into Red China only one-tenth of the required tonnage of fertilizer would mean the expenditure of US \$150 million, which currently is one-third of the value of China's imports from non-Communist countries or eight per cent of China's total imports. To increase this amount ten times would mean that 80 per cent of the total import funds of Red China would have to be used for fertilizer, an obvious absurdity.

d. Failures in Cooperatives

(1) Abuses

The Minister of Agriculture LIAO Lu-yen, in a speech at the Third Session of the First National People's Congress on 15 June 1956, discussed the following failures in the cooperatives:

In the work of cooperation, there has been rather serious extravagance and waste and abuse of manpower and material resources in a number of agricultural producers' cooperatives. Prices fixed for draft animals taken into the cooperatives have not been fair enough and the work of tending and managing public livestock has been poor; leading to the weakening and death of draft animals. Some cooperatives have overstressed the need for intensified labor activities, do not pay sufficient attention to safety precautions of their members, and failed to give due consideration to the physiological characteristics of women members.

In the work of agriculture, a number of cooperatives in some places have set their targets for increased production higher than their technical abilities could encompass. The measures are not fully practical, and while there is a high degree of active enthusiasm, there is a lack of the reliability of the plans. In the extension of new type agricultural implements, not sufficient attention has been given to the suitability of the tools for local use, while technical guidance has not kept pace with development, so that in some areas there has emerged the situation in which "plows are remaining idle."

Grain production is the basic department in agricultural economy, and it is correct to stress the increased production of grain and cotton. But it is wrong to overlook other industrial crops. To merely stress agricultural production, and to neglect forestry, pastoral, fishery, rural handicraft, and other sideline production which constitute a large proportion of the income of the peasants is also incorrect. During the period which has ended, in many areas and in many agricultural producer cooperatives, the defect has precisely been the pure emphasis on the increased production of grain and cotton to the neglect of other economic crops, the neglect of the development of livestock, and the neglect of other sideline occupations. When these various production activities are neglected, even if bumper grain and cotton harvests are reaped, the income of the peasants will not be increased, and it may instead be reduced....

An account of what has happened to collectivized animals, as a result of the neglect of livestock by the cooperatives, appeared in the New York Herald Tribune (10 June 1957):

A serious shortage of draft animals may endanger this year's harvest in Red China. Official Communist sources say thousands of water buffalo, oxen and other beasts of burden have died through neglect, bad organization or the incompetence of feeding management in the newly created farm cooperatives. The Peking People's Daily has reported that more than 60,000 draft animals died last winter and this spring in Kiangsu Province. Forty per cent of those which survived were described as lean and feeble. In Shantung Province, 30 per cent were not only feeble but old, disabled or of poor quality. In Shensi, which is a livestock breeding area, a 400,000 head shortage of service animals exists. This cuts to the roots of the Chinese economy.... In pre-Communist days, the work animal got special attention and care, frequently shared the quarters of its owner. Under the cooperative system, it has lost its privileges.... Now under common ownership, no one takes the responsibility of looking after the animals....

Among other abuses are unfair rulings and assessments made against the peasants. A Peking broadcast (25 November 1956), quoting the text of a directive issued by the CCP Central authorities and the State Council, admitted that:

... There has been unfairness in the assessment of the means of production, forests, and fruit trees which the members put into a cooperative as their shares. Scattered trees and fruit trees and livestock in small numbers which are not required to be included in a cooperative's communal property by the regulations have been forcibly incorporated. The prices of shares which the members are required to buy have not been reimbursed for the excess portions of the assessments for means of production with which the members have paid for their shares. No steps have been taken to return the principal for or pay interest on the investments made by the members....

Financial irregularities were also admitted in a Chinese Home Service broadcast (17 June 1957):

... Some cooperatives have not yet remedied their errors of setting unduly low prices on the carts, horses, farm tools, wood and fruit trees of their members when these members joined the cooperatives. Some cooperatives did not make it clear when they will pay back to their members the investments and prices on the carts, horses, and other physical assets. Some cooperatives have not paid back the money due to their members.... The middle peasant members are ... disgusted. They feel that in joining the cooperatives they are, actually, sharing the poverty of the poor peasants. Contradictions between the middle peasant and poor peasant members thus arise....

On 21 June 1957, the same service stated that:

... Contradictions between the cooperative cadres and members are also manifested in the problem of failing to make public the financial accounts on schedule....

In addition to the abuses mentioned above, complaints by the peasants against the inexperience and incompetence of the cadres have been frequent. The Hong Kong Far Eastern Review (18 April 1957) stated that:

Many cadres of the cooperatives are not experienced in leading big cooperatives; certain of the APC's for a time spent their money lavishly; some of them have given up valuable side occupations; some cooperatives suffered from confused operation and management and muddled accounts....

A bad example was cited of the Huanpan hsiang APC in Hunan, where the distribution scheme was worked out industriously by several cadres and not discussed with the members at all. Seeing that the work points were not clearly recorded and output was under estimated, its members in general were not satisfied, and over ten of the households wanted to quit the APC.... Some of the cadres set the production increase targets too high last spring, and announced how much would be gained by each working day. These targets were not fulfilled and they find it difficult to call the masses together for the distribution work and to apologize for their miscalculations....

(2) Conflicts and Contradictions

Inept planning, mismanagement, incompetence and abuses have produced serious conflicts and contradictions in the cooperatives. The following were admitted by Vice-Premier TENG Tzu-hui, Head of the Department of Rural Work of the Central Committee of the Chinese Communist Party, in his article in the People's Daily (7 May 1957, as quoted in the Far Eastern Economic Review, 20 May 1957):

... There are contradictions between the State and the APC's, relating to the production plans set before the peasants, when farm produce is procured and marketed under centralized plans, when the prices of farm produce and manufactured goods are fixed, when the processing of farm produce is organized or when the tax rates and collection of agricultural and secondary products are determined. There are, secondly, contradictions between the APC's and their members--i.e., between the collective and personal interests of members. They quarrel whether to deduct less and divide more or to deduct more and divide less.... They quarrel also about whether side occupations should be concentrated in the hands of the APC's and the production teams....

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Contradictions developed between middle and poor peasants on the prices fixed for draught animals, carts, trees and fruit trees, which were too low and payment too slow. There are conflicts also between APC members over strong and weak labor power, a higher and a lower technical level, between farm labor and non-farm labor and between over-drawers and depositors. There are contradictions between teams, mainly between poor villages and rich villages and poor and rich teams....

There are contradictions between cadres and the masses-- and how! APC cadres, however, are simply answerable to the higher level and obedient to the higher level, not knowing that they should also be responsible to the masses and listen to their opinions. "Some APC cadres still resort to methods of compulsion; they take no part in production, get too much allowance in the form of compensatory wage points, keep the accounts to themselves, and even commit embezzlement and malpractice." Because of this (and other things, no doubt) APC members are not satisfied with cadres, and the problem is especially serious in the case of those APC's whose output has dropped. The accumulation of such discontent has set APC members against cadres and even caused agitation for withdrawal from the cooperatives....

There are also conflicts between the APC's on the one hand and the supply and marketing cooperatives and credit cooperatives on the other; in particular contradictions exist between the APC's and the handicraft cooperatives. Unless these conflicts were solved in time the Party will be divorced from the masses, the enthusiasm of the masses will be killed, and the development of the productive forces will be impeded....

The Hong Kong Standard (7 June 1957) stated that "reports from the mainland indicate that Communist sources are complaining that 90 per cent of the Party cadres of Kwangtung Province are guilty of 'incorrect thoughts' which have given rise to 'contradictions'."

Repercussions resulting from peasant dissatisfaction were broadcast as follows by the French News Agency (Paris, 3 July 1957):

The conservative Hong Kong Times stated today that a peasant uprising, in which about 30 persons were killed, occurred last Monday in a village in Kwangtung Province. In a special report, the paper said that the uprising was sparked by members of a farm cooperative who were "dissatisfied with the leadership and treatment from responsible cadres." The paper said that the alarmed leaders of the cooperative called out militiamen, who used their firearms. Some 50 peasants have fled the village to avoid reprisals, the paper said.

2. Dangers of Inflation

Commenting on the dangers of inflation created by forced collectivization, the Christian Science Monitor (25 June 1957, quoting the AP correspondent, Hong Kong) stated that:

Copies of the official Peking People's Daily, received here June 25, carried a directive from the ruling state council saying: "The rectification movement for the county level may be postponed until that for the provinces has been completed. In the counties, an all-out effort is to be directed to guidance of agricultural production." This coincided with the disclosure that between 20 and 30 per cent of the members of Communist China's new agricultural producer cooperatives have overdrawn their accounts because of the economic pinch.... The Agriculture Ministry already has expressed anxiety over reduced sales this spring of chemical fertilizer and insecticides, slow progress of water conservation programs, lack of robust farm animals, cold weather in the south and delays in planting in the north, due to a late thaw.... Should there be a crop failure similar to that caused by last year's natural calamities, Communist China will find itself on the edge of disaster....

The Copyright Tribune (3 July 1957) quoted its Hong Kong service:

Long before the end of 1956 the soaring optimism gave place to grave fears of inflation. The peasants used up government loans amounting to nearly 1 billion 400 million dollars of which nearly all remained unpaid by the end of last winter when more loans were due for spring sowing. Increased wages among industrial and city workers led to excessive spending. The farmers consumed far more grain than expected.... Over-planning, waste and extravagance have been condemned by the government and the whole population has been told it must live austere. Warnings have been given that in the second five year plan Red China must do more with less money....

Political Study (13 September 1955) warned the regime that:

Copyright Do not develop agricultural production as far as possible, not only will the peasant's demands for continual improvement of life remain unfulfilled but industrial construction will also be hindered on account of shortage of grain and raw materials. This circumstance is obviously very unfavorable to the worker-peasant alliance.

It is true that during the transition period we are still not in a position to reform our agricultural production fundamentally, nor are we in a position to develop agriculture at the same rate as industry, and that the shortage of certain farm products is unavoidable. But if this state of affairs continues to develop it will affect the economic construction plans of our country, affect the tempo of industrialization and the improvement in the people's living standard, and affect the worker-peasant alliance....

The Economist (8 June 1957) summarized current economic conditions in Communist China as follows:

... Without any material other than their speeches and the columns of their controlled press, New China's sorrows can be clearly observed. Instead of a great well-oiled economic and political machine rolling irresistibly forward, the eye sees a pattern of lurches, checks and plunges, of sharp frictions, suffering, unrest and repression.

A general wage freeze is now being imposed. Some wages are being cut, and managers have been warned not to take on additional hands. Unemployment is so far from being a memory of the past that the workless have now been told not to expect labor exchanges to help them, but to go out and find jobs for themselves. Inflation, another unsolved problem, has eaten away earlier wage increases. Higher prices for such essentials as salt, pork, vegetables, cooking oil, tea, textiles and shoes have lately been announced.

Bedrock rations of rice, wheat and other grains, and cotton cloth are often not honored, and for cloth they have been halved. The housing program has come to a dead stop. Overcrowding in towns is made worse by the continuing "blind flooding-in" of penniless peasants, although as many of them as possible are rounded up and shipped back. Famine still recurs, and relief funds are frequently misappropriated. Production of pigs has fallen in two years from 100 million to 80 million. Among the government farms which were supposed to set an example of efficiency for all China, one in three is running at a loss....

... The newly collectivised peasants resent the townsmen's privileges, and hold back their produce, feeling that in any case there is little they can buy in exchange for it. Their unwillingness to grow enough cotton has half starved the textile industry. They have already quit the collectives in such large (but unrevealed) numbers that the government innocently boasts of the many thousands who have come back in, while admitting that this is only a fraction of the total who withdrew....